

WORLD TRADE ORGANIZATION

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Trade Policy Review Body

TRADE POLICY REVIEW MECHANISM

Report of the Trade Policy Review Body for 1999

Chairman: H.E. Mr. Jean-Marie Noirfalisse

1. This report by the Trade Policy Review Body seeks to provide an annual assessment of the manner and extent in which the TPRM is fulfilling its objectives as stated in the Marrakesh Agreement. The Report discusses the Reviews conducted in 1999 and the main issues arising from them. Tables are annexed showing the Members reviewed to the end of 1999, the geographical coverage of the reviews as well as the proposed programme of reviews for the year 2000.

Fulfilling its objectives

2. The objectives of the TPRM, as described in Annex 3 of the Marrakesh Agreement, are "to contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of the multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of Members."

3. In this regard, the TPRM is required to periodically review the trade policies and practices of all Member countries. By the end of 1999, the TPRM will have conducted 120 reviews (113 if grouped reviews are counted as single reviews) since its formation (Annex I). The reviews have covered 71 Members, counting the European Union (EU) as one, and represent around 84% of the share of world trade and around 63% of the total WTO Membership. The increased importance given to the reviews of least developed countries (LDCs) has led to 10 such reviews since 1989¹, six in the past two years.

4. In 1999, the Trade Policy Review Body will have conducted 12 reviews: Argentina, Bolivia, Egypt, Guinea, Israel, Nicaragua, Papua New Guinea, Philippines, Romania, Thailand, Togo and the United States (Annex II). Guinea, Nicaragua, Papua New Guinea and Togo were reviewed for the first time. The Secretariat reports for the reviews of Guinea, Papua New Guinea and Togo were prepared with the assistance of consultants under the supervision of Secretariat staff; Australia and Denmark provided the funding for these consultancies. The Secretariat's reports continue to be written in close collaboration with the authorities of the relevant Member under review.

5. Overall, procedures for the reviews have run smoothly. Members are regularly consulted on the programme of reviews and documentation has been provided within, or close to, appropriate times in most cases. In consequence, the TPRB has been successful in more evenly spacing reviews throughout the year. In preparing its reports, the Secretariat has attempted to reduce the burden on Members by using, to the extent possible, alternative sources of documentation, particularly publicly

¹ The least developed countries reviewed since the establishment of the Mechanism are: Bangladesh, Benin, Burkina Faso, Guinea, Lesotho, Mali, the Solomon Islands, Togo, Uganda and Zambia.

provided official information. Secretariat visits to capitals have been productive and comments provided to Secretariat drafts have been pertinent. The result is that the quality, content and style of the reviews has been maintained. Improved internal arrangements and a new cooperative publishing agreement reached with an international publishing company have shortened considerably the lag between review meetings and the publication of reviews.

6. The programme of reviews for the year 2000 includes 14 countries: Canada, the European Union and Japan, on the 2 year cycle; Brazil, Norway, Korea, Singapore and Switzerland, on the four year cycle; Iceland, Kenya, Peru and Poland, on the six year cycle; and two least developed countries, Bangladesh and Tanzania (Annex III). The Secretariat report on Tanzania will be drafted by a consultant, with funding provided by Denmark, under close supervision of the Secretariat.

Appraisal of the operation of the TPRM

7. The TPRB undertook in 1999 an appraisal of the operation of the TPRM, as required by Annex 3 of the Marrakesh Agreement. The TPRB agreed on 27 January 1999 on a procedure for the appraisal and subsequently held 12 informal meetings in the period to September 1999. The TPRB adopted its Report to Ministers, for the Third Ministerial Conference, on 5 October 1999. The Report to Ministers is in WTO document WT/MIN(99)/2.

Utility of the TPRM

8. The TPRM continues to be a valuable forum in which Members can openly discuss and provide an objective analysis of each others' trade policies, which is separate from the compliance and legal work of the WTO. Individual Members under review also benefit from the exercise in that it provides an independent and objective analysis of their trade policies and measures. The reports provide an overall picture of the relevant Member's institutional interaction and the effect of different policies across sectors, which has often been appreciated by Members. In addition, several developing and least developed country Members have found the reviews valuable in providing technical assistance.

9. The coverage offered by the reports and by the review process also places individual Members' trade and economic regimes within the wider context of developments in their regions. Given the growing importance of regional trade agreements and groupings, the analysis in the reports has proved useful in discussing the wider impact of recent economic developments in certain regions, as well as the more general question of the impact of regionalism on the multilateral trading system.

Points emerging from the 1999 reviews

10. While each review highlights the issues and measures facing individual countries, certain common themes emerged during the course of the reviews conducted in 1999. These included:

- transparency in policy-making and policy implementation;
- continued trade liberalization and economic reform;
- implementation of WTO Agreements;
- impact of the financial crisis on emerging economies and the importance of maintaining openness to ensure recovery;
- regional trade agreements and their interaction with the multilateral trading system;
- applied and bound tariffs;
- non-tariff measures;

- the use of anti-dumping, countervailing and safeguard measures;
- technical and sanitary measures and market access;
- standards and equivalence with international norms;
- intellectual property rights;
- the growing importance of services sectors;
- special and differential treatment for developing countries; and
- technical assistance in implementing the WTO Agreements.

Coverage of Least Developed Countries (LDCs)

11. The Trade Policy Review Body's Report to the Singapore Ministerial Conference suggested that greater attention be paid to the coverage of least developed countries in the TPRB programme. Two LDCs, Guinea and Togo, were reviewed in 1999, bringing to seven the number of LDCs reviewed since the Ministerial and to ten the number of LDCs that have been reviewed since the inception of the TPRM.² Two LDCs, Bangladesh and Tanzania, are scheduled to be reviewed in 2000.

12. Trade Policy Reviews of LDCs have been useful in understanding the trade policy structure in place and its relationship with the WTO Agreements. The reviews have also provided technical assistance to the relevant Members, especially in enhancing their understanding of the WTO Agreements and enabling better compliance; in some cases, better interaction between government agencies has been facilitated by the reviews. The wide coverage of the Secretariat reports also enables Members to recognize any shortcomings in policy and to identify specific areas where further technical assistance may be required.

Conclusion

13. The Trade Policy Review Mechanism continues to function effectively in meeting its transparency goals as outlined in Annex 3 of the WTO Agreement. The TPRM provides a forum that is unique to the WTO in that it allows an open and frank peer review of individual Members' trade policies and practices separate from legal issues relating to compliance with the WTO Agreements. The reviews conducted in 1999 have in general been satisfactory, without postponements and delays. In addition, the tendency towards a concentration of reviews at the end of the year has been eliminated. The programme for 2000 also aims to avoid delays and concentrations of reviews.

14. Although the TPRM continues to meet its goals, limited resources and a growing list of countries to be reviewed annually makes it important to keep the Mechanism functioning as efficiently as possible. In particular, the continued active cooperation between Members and the Secretariat plays an essential role in the success of the Mechanism and must be maintained to ensure that the review process remains smooth; that deadlines are met; and that the quality of the reports is maintained.

² At the end of 1999, the LDC Members of the WTO still to be reviewed by the TPRM will be: Angola, Burundi, Central African Republic, Chad, Democratic Republic of Congo, Djibouti, the Gambia, Guinea-Bissau, Haiti, Madagascar, Malawi, Maldives, Mauritania, Mozambique, Myanmar, Niger, Rwanda, Sierra Leone and Tanzania.

Annex I

TRADE POLICY REVIEWS
WTO members reviewed under GATT 1947 and WTO provisions, 1989-1999

Europe/Middle East	Asia/Pacific	Africa	America
Austria ^{1a}	Australia (3) ^c	Benin ^{b, d}	Argentina (2) ^c
Czech Republic ^b	Bangladesh ^{a, d}	Botswana ^b	Bolivia (2) ^c
Cyprus ^b	Fiji ^b	Burkina Faso ^{b, d}	Brazil (2) ^c
European Union (4) ^c	Hong Kong, China (3) ^c	Cameroon ^a	Canada (5) ^c
Finland ^{1a}	India (2) ^c	Côte d'Ivoire ^b	Chile (2) ^c
Hungary (2) ^c	Indonesia (3) ^c	Egypt (2) ^c	Colombia (2) ^c
Iceland ^a	Japan (4) ^c	Ghana ^a	Costa Rica ^b
Israel (2) ^c	Korea (2) ^c	Guinea ^{b, d}	Dominican Republic ^b
Norway (2) ^c	Macau ^a	Kenya ^a	El Salvador ^b
Poland ^a	Malaysia (2) ^c	Lesotho ^{b, d}	Jamaica ^b
Romania (2) ^c	New Zealand (2) ^c	Mali ^{b, d}	Mexico (2) ^c
Slovakia ^b	Pakistan ^a	Mauritius ^b	Nicaragua ^b
Sweden ^{1a} (2)	Papua New Guinea ^b	Morocco (2) ^c	Paraguay ^b
Switzerland (2) ^c	Philippines (2) ^c	Namibia ^b	Peru ^a
Turkey (2) ^c	Singapore (2) ^c	Nigeria (2) ^c	Trinidad and Tobago ^b
	Solomon Islands ^{b, d}	Senegal ^a	United States (5) ^c
	Sri Lanka ^b	South Africa (2) ^c	Uruguay (2) ^c
	Thailand (3) ^c	Swaziland ^b	Venezuela ^b
		Togo ^{b, d}	
		Tunisia ^a	
		Uganda ^{b, d}	
		Zambia ^{b, d}	
		Zimbabwe ^a	
15	18	23	18

() Figures in brackets show the number of reviews where this is greater than 1

¹ Included in EU from 1995

^a Reviewed under GATT 1947

^b Reviewed under the WTO

^c Reviewed under GATT 1947 and the WTO

^d Least developed country

Number of reviews conducted at end-1999	=	120
Number of WTO Members reviewed	=	85 out of 134 (counting EU as 15)
	=	63% of WTO Members (of which, 26 in Europe, 18 in Asia/Pacific, 23 in Africa and 18 in America)
Number of WTO Members reviewed	=	71 out of 120 (counting EU as 1)
Number of least-developed WTO Members	=	10
Share of world trade of WTO Members reviewed (excluding significant double counting, re-exports from Hong Kong, China and Singapore and intra-EU trade)	=	84%

Annex II**TPR Reviews Conducted in 1999**

Country ^a	Meeting Date	Review Cycle (years)
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Argentina (2)	20.01.99	6
Togo	27.01.99	6 ^b
Guinea	25.02.99	6 ^b
Egypt (2)	24.06.99	6
United States (5)	12.07.99	2
Bolivia (2)	19.07.99	6
Israel (2)	14.09.99	4
Philippines (2)	27.09.99	6
Romania (2)	04.10.99	6
Nicaragua	25.10.99	6
Papua New Guinea	15.11.99	6
Thailand (3)	15.12.99	6

^a Figures in parenthesis indicate number of reviews completed

^b Least developed country

Annex III

Proposed programme of reviews for 2000

Two-year cycle	Canada, European Union, Japan
Four-year cycle	Brazil, Norway, Korea, Singapore, Switzerland
Six-year cycle	Iceland, Kenya, Peru, Poland
Least-developed countries	Bangladesh, Tanzania